

ELEVENTH
ANNUAL REPORT

OF THE

Catawissa Railroad Company,

FOR THE YEAR ENDING

DECEMBER 31st, 1870.



PHILADELPHIA:
THE LEISENRING STEAM PRINTING HOUSE,
Jayne's Building, Nos. 237 and 239 Dock Street.
1871.

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OFFICERS
OF THE
Catawissa Railroad Company.

PRESIDENT,
M. P. HUTCHINSON.

TREASURER,
W. L. GILROY.

SECRETARY,
EDWARD JOHNSON.

DIRECTORS:
I. V. WILLIAMSON, Philadelphia.
F. K. SHIPPER, “
ELLWOOD SHANNON, “
EMMOR WEAVER, “
J. E. KINGSLEY, “
J. L. MELCHER, New York.

ANNUAL MEETING.

An annual meeting of the stockholders of the Catawissa Railroad Company was held in pursuance of the provisions of the charter of said Company, on the 4th day of April, 1871, at 12 o'clock, noon, at the Company's office, No. 424 Walnut street, Philadelphia, called in pursuance of the notice of which the following is a copy:—

OFFICE OF CATAWISSA RAILROAD COMPANY,
424 Walnut Street,
PHILADELPHIA, March 15th, 1871.

The annual meeting of the stockholders of the Company will be held on Tuesday, the 4th day of April, 1871, at 12 o'clock, noon, at the Company's office, 424 Walnut street, in the city of Philadelphia.

EDWARD JOHNSON,
Secretary.

On motion, Wm. P. Chandler, Esq., was called to the chair, and Edward Johnson appointed Secretary.

The President read to the meeting the report of the Board of Directors for the year ending December 31st, 1870; also, submitted the reports of the Treasurer and Superintendent.

On motion,

Resolved, That the report of the Board of Managers, this day presented and read, be, and the same is, hereby approved, accepted and adopted, and that the action of the Board in relation to the several matters therein mentioned is ratified and approved.

Resolved, That the powers and authorities conferred upon and granted to the Board of Managers by the resolutions passed at prior annual meetings be, and the same are, hereby continued.

On motion,

Resolved, That the thanks of the stockholders be tendered to the President, Directors and Superintendent, for the able and satisfactory manner in which they have conducted the affairs of the Company during the last year.

On motion, adjourned.

WM. P. CHANDLER,
Chairman.

EDWARD JOHNSON,
Secretary.

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ELEVENTH ANNUAL REPORT.

1871.

TO THE STOCKHOLDERS OF THE

CATAWISSA RAILROAD COMPANY:

The following report is submitted by your Board of Directors of the condition of your road, and its workings, for the year ending December 31st, 1870, under the terms of the lease and contract of November 1st, 1865.

The capital account is as follows:—

41,980 shares preferred stock,	@ \$50,	\$2,099,000 00
22,823 “ common “	“ 50,	1,141,150 00
500 first mortgage bonds, 7 per cent.,	“ 500,	250,000 00
49 chattel mortgage bonds, 5 per cent.,	“ 500,	24,500 00
339 “ “ “ 10 “ “ 550,		185,350 00
		<hr/>
		\$3,700,000 00
Less first mortgage bonds, canceled,		19,500 00
		<hr/>
		\$3,680,500 00

Unissued:—

2,020 shares preferred stock, @ \$50,	\$101,000 00	
367 “ common “ “ 50,	18,350 00	
	<hr/>	119,350 00
		<hr/>
		\$3,799,850 00
		<hr/>

To which will be added the cost of extension to Williamsport, as referred to in a subsequent part of this report, when completed.

The earnings and expenses were as follows, for which see Superintendent's and Treasurer's report:—

Receipt's,	\$655,812 85
<i>Being (\$10,894$\frac{39}{100}$ per mile of road.)</i>	
Working, maintenance and general expenses,	431,179 54

The increase of tonnage on our own local business was $13\frac{1}{2}$ per cent. over the previous year. The expenses have been increased only $1\frac{139}{1000}$ per cent. A reduction of 20 per cent. in rates—as by reference to Superintendent's report—was found to be necessary to enable our customers to remain in market; notwithstanding which, and the low rates ruling upon all traffic upon all roads during the past year, the receipts were increased $5\frac{747}{1000}$ per cent.

The ballasting with refuse coal and rock—commenced the year previous, and which has demonstrated in its results all that we anticipated—was discontinued on account of insufficiency of material, and the necessity of utilizing what was produced upon the branch road in order to be prepared for the coming coal trade over it. We anticipate, however, the continuance of the work during the ensuing year, until the entire track is finished.

Allusion was made in the last annual report to surveys having been made for a branch into the Black creek coal region. Nothing further has been done in that direction, owing to the want of co-operation on the part of the land-owners, and their unwillingness to guarantee a remunerative tonnage, and the uncertain tenure by which the lands were held. The object anticipated, of securing anthracite tonnage from the Lehigh region for the western market, has, however, been obtained by the con-

struction of the Tresckow Branch Railroad from several important collieries in the Hazleton region, (to connect with our Summit branch,) now completed and only awaiting the resumption of mining operations, to throw a large amount of coal over our branch, both for eastern and western markets,—thus utilizing the investment heretofore made, independent of traffic from other sources.

COAL PROPERTY

During the past year the explorations have been continued upon the coal-basin, of which the Company's lands form a part, in accordance with the advice of two of our most skillful mining engineers. At one time it was thought that the north side basin extended some distance on the Company's property. The small basin reached lately was found to spoon out rapidly to the surface; and it is now settled that the ridge that divides and crosses the properties obliquely, terminates the mammoth vein coal on that side. After considerable investigation, it has been found that the same result has taken place on the eastern end of the southern basin. The borings that have been made on the southern side, it is thought, indicate the existence of the mammoth vein coal there for about one thousand yards on our land. A shaft is now being sunk about the centre, between these two points, where the coal was found, which will be pushed forward as rapidly as possible, to demonstrate the character of the basin, and the proper method of developing the same, either on its own account, or in connection with the underlying veins.

EXTENSION TO WILLIAMSPORT.

Since the charter of your Company was obtained, its extension to Williamsport has always been kept steadily

in view; the inability to do so, owing to the financial condition of the Company, resulted in arrangements with connecting roads by which, under a lease, the business of that place was reached—until, by a subsequent lease, the Philadelphia and Erie fell into the hands of a rival interest, everything moved on satisfactorily. The approaching termination of that arrangement, together with the annoyances and restrictions placed upon our trade, as well as the possible limitation to our right to build, induced your management, in accordance with the authority vested in them by you to protect your interests, to proceed immediately to make arrangements for its construction. Aided by the subscriptions along the route, and the friends of the enterprise here, your management have to report that they have succeeded in negotiating a seven per cent. mortgage loan—clear of tax, at par—for the construction of the road, including steel rails for the entire distance, and, unless unforeseen circumstances occur, it is expected to have the same completed by the 1st of September of this year. The loan authorized by the Company is for \$1,300,000, of which so much only will be issued as is necessary to construct the road.

To avoid, as much as possible, any new competition with the Philadelphia and Erie Railroad, as well as securing the best and cheapest line, the route chosen was across the river at Milton, through Union county, crossing several productive valleys and recrossing the river near Muncy, and thence passing Loyalsock creek to Williamsport,—thus accommodating a section of country now without railroad facilities, and which will furnish a large increase of business to your line.

The completion of the Nesquehoning Valley Railroad in May last has added considerable to the traffic of our road, giving us a shorter line than is practicable by any

other route to New York city and central New Jersey, and, in the reciprocity always due to the exchange of business, enabled us to command a larger supply of rolling-stock than ever before, the want of which until its completion materially restricted our business facilities in that direction. The very favorable relations now existing with the roads east of us, the inducements offered the traveling community, when taken in connection with our extension to Williamsport, will place your investment upon a firm and substantial basis.

Before closing this report, we regret that we have to announce the departure of one long associated with us in the management of this Company,—S. V. Merrick, Esq., one who always exhibited a deep interest in its welfare, and who watched its progress towards success with evident pleasure. We who have long met with him will never forget his cheerfulness, wisdom in counsel, and constant encouragement at all times. The vacancy thus occasioned was filled by the election of Emmor Weaver, Esq., a former member of the Board.

Respectfully submitted by order of the Board.

M. P. HUTCHINSON,
President.

REPORT

OF THE

SUPERINTENDENT.

OFFICE OF THE SUPERINTENDENT,
WILLIAMSPORT, PA., January 1st, 1871.

M. P. HUTCHINSON, Esq.,

General Manager for Lessees of Catawissa Railroad,

SIR:—The following report of the operations on Catawissa Railroad for the year 1870 is respectfully submitted:—

Receipts,	\$655,812 85
Expenses,	431,179 54

Increase of earnings over those of 1869 equal $5\frac{747}{1000}$ per cent. Increase of expenses over those of 1869 equal $1\frac{133}{1000}$ per cent.

Early in the year there was a general decrease in value of articles produced and shipped in car loads on our line. To meet that decrease, and also to enable our neighbors to keep in the market in competition with western dealers whose trade was fostered by other routes, we reduced through car-load rates twenty per cent.

The result was quite satisfactory. Our local trade was stimulated, and because of its regularity we were able to move it with economy.

A saving has been made in motive power and car accounts. This is partly due to the policy pursued in past years of using none but best material for construction and repairs, and partly due to saving in fuel by rigid

care, rendered possible after completion of coal-chutes at Catawissa early in the year.

Our iron rails are purchased at an extra cost, on the promise that they shall be equal to any ever made. The greatest care is exercised in the inspection of them; yet I regret having to report no decrease in roadway expenses. During the year past we have been free from any serious accidents from broken rails, but heavy renewals have been made necessary by actual wearing out of rails under less than two years' service with our light gross tonnage. I would recommend the use of steel rails for all renewals as soon as practicable.

Recent experiments with various forms of splice-joints have been very satisfactory, and our track in that respect is in good condition.

On the branch road to coal mines the trestles have been filled with dirt and rocks from the mines; and a large expenditure was made in new iron and ties to put the track in proper condition to move the trade expected from the Treseckow road just completed.

The original station-houses on the line were frail wooden structures. Thorough repairs are being made as fast as circumstances will allow.

An inferior class of masonry was used between Catawissa and Milton in the original construction of the road. During the past year nearly all the masonry in small bridges and culverts has been renewed with best quality of stone laid in cement.

It is gratifying to be able to renew former statements, that up to this date no passenger has been killed on this road.

All of which is respectfully submitted.

GEORGE WEBB,
Superintendent.

REPORT OF THE TREASURER.

OFFICE CATAWISSA RAILROAD COMPANY,
No. 424 WALNUT STREET, PHILADELPHIA, January 1st, 1871.
M. P. HUTCHINSON, Esq.,

President and General Manager,

DEAR SIR:—Herewith I beg to present report of income and transportation for the year ending 31st December, 1870.

Very respectfully,

Your obedient servant,

W. L. GILROY,
Treasurer.

Transportation and Income Account for 12 months ending Dec. 31st, 1870.

RECEIPTS OF THE ROAD.

Freight on merchandise.....	\$451,788 17
Freight on coal.....	47,433 92
Travel account.....	72,505 49
Miscellaneous receipts.....	79,140 51
United States mail.....	4,944 76
Total receipts.....	<u>\$655,812 85</u>

WORKING EXPENSES.

CONDUCTING TRANS.—FREIGHT.	Agents, station.....	\$8,771 64	
	Car cleaning and inspecting.....	5,744 33	
	Conductors, brakemen and dispatchers.....	43,173 33	
	Drawbacks and overcharges.....	666 31	
	Expenses of stations.....	5,048 81	
	Foreign agencies.....	1,982 55	
	Incidentals.....	1,828 45	
	Light at stations and for cars.....	1,534 46	
	Loss and damage to goods.....	672 12	
	Oil, tallow and waste.....	1,839 49	
	Rent and allowance for use of cars..	1,392 32	
	Stationery and printing.....	1,501 58	
	Station repairs, rent and taxes on depots, &c.....	940 84	
		<u>\$75,096 23</u>	
	Carried forward,	\$75,096 23	\$655,812 85

		Brought forward,	\$75,096 23	\$655,812 85
CONDUCTING TRANS.—PASSENGER.	{	Advertising.....	\$360 37	
		Agents, ticket.....	4,136 32	
		Car cleaning and inspecting.....	2,046 05	
		Conductors, baggage masters and brakemen.....	6,789 30	
		Expenses of stations.....	1,512 15	
		Foreign agencies.....	97 60	
		Fuel at stations.....	180 14	
		Fuel for cars.....	146 44	
		Incidentals.....	312 14	
		Light at stations.....	36 76	
		Light for cars.....	129 78	
		Oil, tallow and waste.....	265 89	
		Rent and allowance for use of cars..	1,134 18	
		Stationery and printing.....	1,321 08	
		Station repairs, rent and furniture ..	891 84	
			<hr/>	19,360 04
MOTIVE POWER.	{	Coal for locomotives—passenger.....	\$4,080 80	
		Coal for locomotives—freight.....	32,868 98	
		Engineers and firemen—passenger..	3,004 04	
		Engineers and firemen—freight.....	19,036 11	
		Incidentals—passenger and freight..	2,184 98	
		Fluid, oil, tallow and waste—passenger and freight.....	3,688 47	
		Repairs of locomotives—passenger...	3,063 16	
		Repairs of locomotives—freight.....	25,973 53	
		Repairs of tools, machinery and shops	3,261 12	
		Repairs of water-stations.....	1,832 09	
		Watchmen, switchmen and wipers..	7,179 73	
		Wood for locomotives—passenger...	743 35	
		Wood for locomotives—freight.....	2,426 86	
		Expenses of switching.....	10,034 79	
			<hr/>	119,378 01
MAIN. OF WAY.	{	Summit Branch Road.....	\$5,236 45	
		Incidentals.....	5,228 35	
		Oil, fluid and tallow.....	316 98	
		Repairs of bridges.....	8,699 83	
		Repairs and renewal of telegraph...	61 71	
		Repairs and renewal of track.....	115,910 28	
		Tools and repairs of tools.....	2,472 22	
		Watchmen.....	4,274 42	
		Buildings, &c.....	4,294 64	
			<hr/>	146,494 88
MAIN. OF CARS.	{	Incidentals.....	\$287 73	
		Repairs passenger and baggage cars,	4,990 25	
		Repairs freight cars.....	16,669 21	
		Repairs car shops and sheds.....	7 56	
		Tools and repairs of tools.....	375 08	
		Repairs Catawissa car loan cars.....	10,886 78	
			<hr/>	33,216 61
GEN. EXPENSES.	{	Stationery, printing and office expenses.....	\$3,699 08	
		Taxes.....	7,372 70	
		Telegraph expenses.....	1,832 45	
		Contingent expenses, law, traveling, advertising, salaries, &c.....	24,729 54	
			<hr/>	37,633 77
			<hr/>	431,179 54.
		Carried forward,		\$224,633 31

Balance from transportation and income account.....	\$224,633 31
Less interest on chattel mortgage.....	20,235 00
	<hr/>
	\$204,398 31
Less cash paid Catawissa Railroad on account rent.....	190,762 95
	<hr/>
	<u>\$13,635 36</u>

Dr.

CONDENSED BALANCE SHEET

January 1st, 1870.

To cash on hand.....	\$21,577 07
“ received from the lessees of the Catawissa Railroad on account of rent.....	190,762 95

\$212,340 02

To balance, January 1st, 1871..... \$43,754 27

CATAWISSA R. R. CO.—*Dec. 31st, 1870.**Cr.*

By Dividend paid May, 1870.....	\$73,461 50
Dividend paid November, 1870.....	73,461 50
Coupons paid February, 1870.....	8,172 50
Coupons paid August, 1870.....	8,120 00
General expenses.....	5,370 25
Balance.....	43,754 27

\$212,340 02

